

LAND BOARD AGENDA ITEM

July 18th, 2011

**FINAL APPROVAL FOR SALE OF LAND BANKING
PARCEL # 579
CASCADE COUNTY**

- Seller:** State of Montana, Department of Natural Resources and Conservation
- Nominators:** Parcel 579 – Lessee, Edward & Mary Kyler
- Location:** Parcel 579 - is located 10 miles west of the town of Cascade.
- Property Characteristics:** Parcel 579 - The parcel has below average grazing productivity, and generates below average income from a grazing lease. The commercial timber value of the parcel is marginal due to the location of the merchantable stands in the drainage bottoms, relatively poor quality timber and the presence of rock outcrops. Development of the parcel for commercial harvest would require extensive road construction on adjacent private lands and line skidding on steep slopes.
- Access:** Parcel 579 - There is no legal public access to this parcel. The lands in section 36, T18N, R3W are fully surrounded by private lands, and may only be accessed for recreational uses with the adjacent land owner's permission.
- Economic Analysis:** Short term – The rate of return on the sale parcel is 0.11 % for Common Schools. They would continue to receive this return if the parcel is not sold.
- Long term – The sale of this parcel would result in acquisition of lands that generate a higher rate of return. To date the average annual rate of return on acquisitions has been 1.91%, on acquisitions with income generated from annual lease payments.
- Cultural/Paleontological Resources:**
- Lots 1-4 of Section 36, T18N R3W were inventoried to Class III standards for cultural and paleontological resources in 2005. A formal report of findings (*Cultural Resources Inventory of the Proposed Telegraph Mountain Land Exchange: Cascade County, Montana*) was prepared and is on file with the DNRC and the State Historic Preservation Office. No *Antiquities*, as defined under the Montana State Historic Preservation Act, were identified. The underlying geology does not include Judith River or Hell Creek Formations.

Background:

In November 2010, the Board approved this parcel to continue through the Land Banking sale evaluation process. In May 2011 the Board set the minimum bid at the appraised value with access as follows:

Sale #	# of Acres	Legal	Minimum Bid	Price/Acre	Beneficiary
579	165.31	Lots 1, 2, 3, & 4 Sec. 36, T18N, R3W	\$132,000	\$800	Common Schools
Total Sale Price			\$132,000		

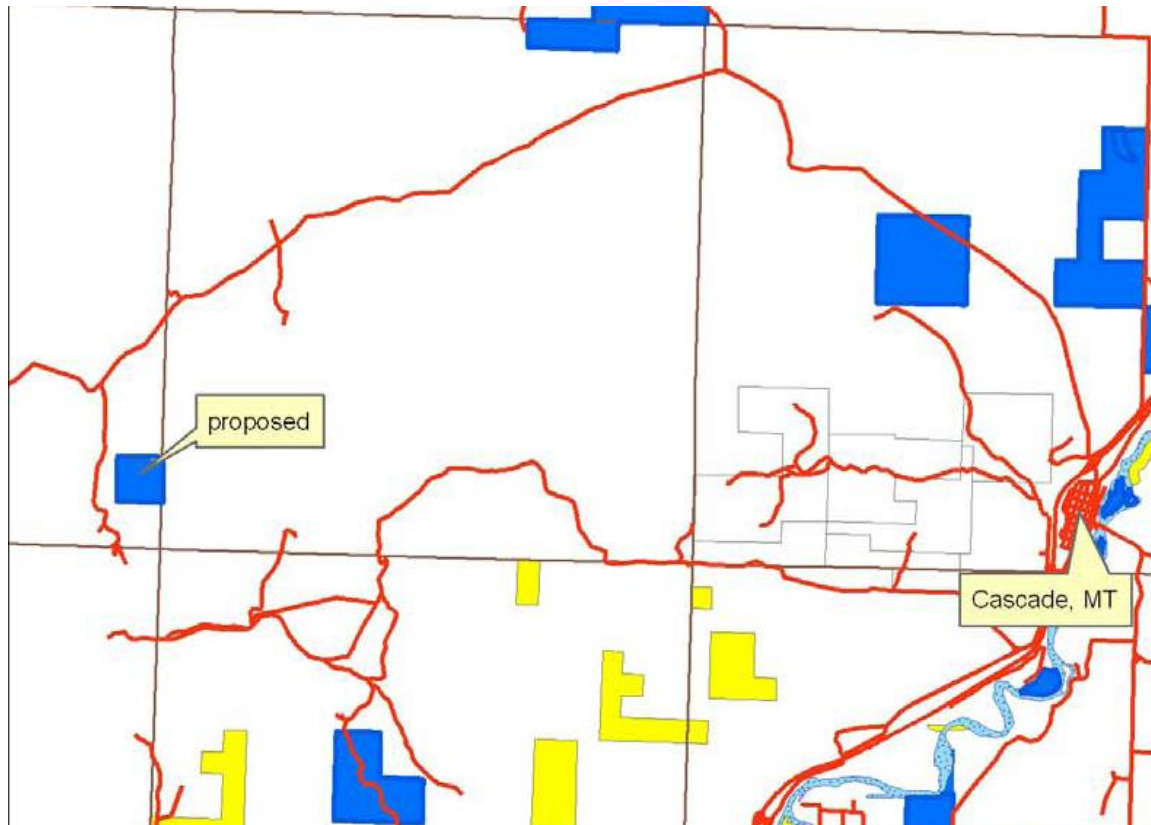
Sale Price:

This parcel was sold at public auction on July 1, 2011. The parcel had only one bidder, and was sold for the minimum bid amount listed above. The total for the above sale is \$132,000.

Recommendation:

The Director recommends final approval of Land Banking Sale #579, for the purchase price listed above. The sale will be closed within 30 days of approval.

Sale #579 Location Map



Sale #579

